

M/047/010

AMERICAN GILSONITE COMPANY
HC 73 BOX 28
VERNAL, UT 84078
1(435)789-1921
1(435)789-1956 (FAX)

facsimile transmittal

To: Tony Gallegos Fax: 801-359-3940
From: M. Hung Date: 6/9/00
Re: _____ Pages: 3
CC: _____

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Notes:



**American Gilsonite Company**

Bonanza Minesite

HC 73 Box 28

Vernal Utah 84078-9284 • Phone (435) 789-1921 • Fax (435) 789-1956

M/047/010

June 9, 2000

Anthony Gallegos
Utah Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

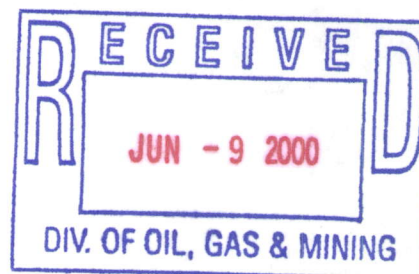
Dear Mr. Gallegos:

Due to an error in preparing the letter of May 31, 2000 two copies of the page responding to your specific questions on the I-12 amendment were included in the package sent to Mr. Hedberg. One of these pages requested 45 days to finalize the changes in the large mine surety bond the other requested 90 days. Our intent was to request 90 days. We feel the 90 days is appropriate because in addition to the time required to settle the differences in the amount of the bond with DOGM, we must also make arrangements to change the bond. Our current bond is held through a third party (Chevron.) Chevron would like to get out of our agreement with them. So there will be negotiation with them as will as the insurance company. In order to get this all settled will take some extra time.

Sincerely,

A handwritten signature in dark ink, appearing to read "Neldon Kunz", written over a horizontal line.

Neldon Kunz
Mine Supt.



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June 9, 2000

William Stokes

Utah Division of Trust Lands Administration

675 East 500 South, Suite 500

Salt Lake City, Utah 84102-2818

Dear Mr. Stokes:

In order to move ahead with the development of a mine on the lease ML-851, we would like to move the CD (\$5000) from ML-31999 to ML-851. ML-31999 currently has no disturbance on it and none is planned in the near future. By moving this CD we can move ahead with the development of a mine on ML-851 while we finish negotiations with DOGM on the adjustments to the surety for our large mining operation.

Thanks for your help in this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Neldon Kunz", written over the typed name.

Neldon Kunz
Mine Supt.

Cc: DOGM.

